

## Message Text

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20

ACTION EUR-25

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 PM-07 INT-08 SCEM-02 DODE-00 PA-04

USIA-15 PRS-01 NIC-01 DRC-01 /187 W

----- 039787

R 080455Z JAN 74

FM AMEMBASSY WARSAW

TO SECSTATE WASHDC 7160

INFO AMEMBASSY BELGRADE

USMISSION BERLIN

AMEMBASSY BONN

/.-EMBASSY BUCHAREST 1680

AMEMBASSY BUDAPEST

/AMEMBASSY LONDON 936

AMEMBASSY MOSCOW

AMEMBASSY PARIS

/AMEMBASSY PRAGUE 1819

AMEMBASSY SOFIA

AMEMBASSY VIENNA

USMISSION USNATO BRUSSELS

AMCONSUL POZNAN

C O N F I D E N T I A L WARSAW 0081

E.O. 11652: GDS

TAGS: PFOR, PL, US , ENRG

SUBJECT: US-POLISH RELATIONS: YEAR-END ASSESSMENT:  
THE ENERGY CRISIS

REF: WARSAW 0070

1. IN A PECULIAR WAY,  
THE WORLD WIDE ENERGY CRISIS HIGHLIGHTS THE EXCELLENT  
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POSITION OF THE GIEREK LEADERSHIP. WHETHER BY HISTORICAL

LUCK OR BY DESIGN AND WISDOM, GIEREK NOW STANDS TALL AS  
ON UNIQUELY QUALIFIED TO CLAIM THE CREDIT FOR PLACING  
POLAND IN AN EXCELLENT POSITION WITH REGARD TO ENERGY.  
A FORMER COAL MINER HIMSELF AND THE SON OF A COAL MINER,  
AS THE LONG-TIME LEADER OF THE PARTY IN SILESIA HE  
WORKED PATIENTLY, FORCEFULLY, AND EFFECTIVELY FOR THE DEVELOP-  
MENT AND MODERNIZATION OF POLAND'S COAL MINES. SINCE TAKING OVER  
THE NATIONAL LEADERSHIP, HE HAS BEEN A STRONG ADVOCATE AGAINST  
SOME OPPOSITION, OF THE DEVELOPMENT OF EXTENSIVE NEW COAL DEPOSITS  
IN THE LUBLIN AREA.

2. IN RECENT YEAR, SOME POLISH ECONOMISTS HAVE ARGUED THAT IT  
WOULD BE MORE ECONOMICAL FOR POLAND TO SWITCH FROM COAL RATHER  
THAN INVEST HEAVILY IN DEVELOPING AND MODERNIZING ITS MINING OF  
COAL. MOREOVER, THERE WERE ARGUMENTS THAT THE POLISH COAL  
INDUSTRY WAS INEFFICIENT AND THAT AN OVERPAID PRIVILEGED CLASS  
OF MINERS WAS BEING CREATED. GIEREK STUBBORNLY MAINTAINED HIS  
STAND IN FAVOR OF COAL-- AND HIS LOCAL CONSTITUENCY IN SILESIA--  
AND IS NOW IN A POSITION TO POINT TO THE CORRECTNESS OF HIS  
POLICIES. IN HIS MINERS' DAY SPEECH AT ZABRZE IN SILESIA  
ON DECEMBER 3, GIEREK NOTED THAT MINING IS THE LEADING POLISH  
INDUSTRY AND EMPHASIZED THAT POLAND WOULD CONTINUE TO DEVELOP HER  
COAL RESOURCES, WOULD BASE A DYNAMIC EXPANSION OF THE POWER  
INDUSTRY ON NEWLY DISCOVERED DEPOSITS OF BROWN AND BITUMINOUS COAL,  
AND WOULD CONDUCT INTENSIVE SCIENTIFIC RESEARCH INTO THE  
GASIFICATION AND LIQUEFACTION OF COAL.

3. THE JOINT POLISH-FRG ANNOUNCEMENT ON DECEMBER 14 THAT POLAND  
WILL SELL ELECTRIC POWER TO THE FRG IS A GRAPHIC ILLUSTRATION OF  
THE BENEFITS THAT SHOULD RESULT FROM POLAND'S LARGE ELECTRIC-  
GENERATING CAPACITY BASED ON WELL AND WISELY DEVELOPED COAL  
RESOURCES.

4. THE OTHER SIDE OF THE COIN IS POLAND'S NEAR TOTAL DEPENDENCE  
ON IMPORTS FOR ITS PETROLEUM REQUIREMENTS. SINCE THE SOVIET  
UNION SUPPLIES 85 PERCENT OF THESE, AS WELL AS NEARLY ALL OF  
POLAND'S NATURAL GAS, THE ENERGY CRISIS AND SOARING WORLD OIL  
PRICES OBVIOUSLY GIVE THE SOVIET UNION GREATER LEVERAGE IN  
ITS ECONOMIC RELATIONS WITH POLAND. THE POLISH-SOVIET TRADE  
PROTOCOL FOR 1974, SIGNED ON DECEMBER 28, PROVIDES FOR A  
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CONTINUATION OF SOVIET PETROLEUM EXPORTS TO POLAND AT PREVIOUSLY  
FIXED PRICES. (ALTHOUGH THE PROJECTED AMOUNT OF PETROLEUM INVOLVED  
HAS NOT BEEN PUBLISHED, THE IMPLICATION IS THAT IT WILL NOT  
FALL BELOW THE 1973 LEVEL. WE NOTE THAT PETROLEUM EXPORTS  
FROM THE SOVIET UNION TO POLAND INCREASED BY 24 PERCENT FROM 1971  
TO 1972. WE THINK IT LIKELY THAT THERE WAS A SIMILAR LARGE  
INCREASE IN PETROLEUM IMPORTS FROM THE USSR IN 1973.)  
DAVIES

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NNN

## Message Attributes

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